

**REMARKS**

**Summary of the Office Action - Status of the claims**

Claims 1-10 are pending in the Office Action.

Claims 1-10 are rejected under 35 U.S.C. § 101.

Claims 1-10 are rejected under 35 U.S.C. § 112, first paragraph.

Claims 1-10 are rejected under 35 U.S.C. § 103(a).

**Applicants' Response**

Applicants would like to thank the Examiner for his courtesy during the telephone interview of June 16, 2009. During the interview, the Examiner and Applicants' representative discussed independent claim 1 and the art of record. Applicants have amended claims 1 and 4 to more clearly reflect the claimed subject matter. Support for the claim amendments can be found throughout the Application. (See, e.g., Figures 2, 3, 4 and 4a, and paragraphs [0020]-[0045] and [116-149] of the Specification). As such, no new matter has been added. Applicants' silence with regard to the Examiner's rejections of the dependent claims constitutes recognition by the Applicant that the rejections are moot based on Applicants' Remarks relative to the independent claim from which the dependent claims depend. Upon entry of the Amendment, claims 1-10 are pending. Applicants respectfully traverse all rejections of record.

**Rejections under 35 U.S.C. § 101**

Original claims 1-10 were rejected under 35 U.S.C. § 101 as allegedly directed to non-statutory subject matter. Applicants have amended these claims to clarify the scope of the claimed subject matter and respectfully submit that these claims are directed to patentable subject matter.

Applicants respectfully submit that as amended, the claimed methods transform data and positively recite the machines that accomplish the claimed method steps. As such, Applicants respectfully submit that the claims are directed to statutory subject matter and meet the requirements of 35 U.S.C. § 101.

35 U.S.C. § 112 Rejections

Claims 1-10 are rejected under 35 U.S.C. § 112, first paragraph as allegedly failing to comply with the written description requirement. Applicants have amended the claims to more clearly reflect the claimed subject matter. Support for the claim amendments can be found throughout the Specification. (*See*, e.g., paragraph [0007]). Additionally, the Examiner alleges that if “the pseudo-number is no longer trusted or it has been compromised, a user can still use the first number and a new pseudo-number would be calculated, thus leaving the old number obsolete.” (Office Action, page 5). Applicants respectfully note that one could still use a compromised number, but the purchase would not be authorized as featured in claims 1 and 4, and the number would not necessarily be “obsolete” as the Examiner alleges. As such, and in view of the foregoing amendments, Applicants respectfully submit that claims 1-10 meet the requirements of 35 U.S.C. § 112, first paragraph.

35 U.S.C. § 103 Rejections

Claims 1-7, 9, and 10 were rejected under 35 U.S.C. § 103(a) as allegedly unpatentable over U.S. Patent No. 6,163,771 to Walker et al. (“Walker”) in view of U.S. Patent No. 6,636,833 to Flitcroft et al. (“Flitcroft”). Claim 8 was rejected under 35 U.S.C. § 103(a) as allegedly unpatentable over Walker in view of Flitcroft and further in view of U.S. Patent No. 6,018,717 to Lee et al. (“Lee”).

To reject claims in an application under Section 103, an examiner must establish a *prima facie* case of obviousness. Using the Supreme Court's guidelines enunciated in *Graham v. John Deere*, 383 U.S. 1, 17 (1966), one determines "obviousness" as follows:

Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined.

In *KSR Int'l Co. v. Teleflex Inc.*, (550 U.S. 398, 2007), the Supreme Court reaffirmed the *Graham* test, and indicated that although it should not be rigidly applied, a useful test for determining obviousness is to consider whether there is a teaching, suggestion or motivation in the prior art that would lead one of ordinary skill in the art to combine known elements of the prior art to arrive at the claimed invention. Importantly, the Court emphasized that a patent examiner's analysis under Section 103 should be made explicit in order to facilitate review.

Thus, to establish a *prima facie* case of obviousness, the Examiner has an obligation to construe the scope of the prior art, identify the differences between the claims and the prior art, and determine the level of skill in the pertinent art at the time of the invention. The Examiner must then provide: (1) an explicit, cogent reason based on the foregoing why it would be obvious to modify the prior art to arrive at the claimed invention; (2) a reasonable expectation of success; and (3) a teaching or suggestion of all claimed features. See M.P.E.P. §§ 706.02(j) and 2143.

Applicants' independent claim 1 is directed towards a method of conducting a transaction by a purchaser over a communications network. Among other things, the method of claim 1 features "providing a second payment account number associated with said first payment account number, said second payment account number being reusable by the purchaser for as long as the first payment account number is usable by the purchaser, and not being a transaction number and

having an encryption key assigned thereto . . .” and “sending identification information from a purchaser computer to an issuer computer; verifying said identification information using an issuer computer, after verifying said identification information, using an issuer computer to provide secure payment software comprising said second payment number to a purchaser computer; [and] sending data from a purchaser computer using said secure payment software to a merchant computer comprising: at least one of said second payment account number and a digital certificate that includes said second payment account number, the cardholder’s card expiration date, the merchant identification number, and at least one of a generated message authentication code (MAC) and a digital signature generated by the secure payment application...”

No such combination is disclosed in or suggested by Walker or Flitcroft, whether considered individually or in combination.

No Motivation to Combine

As noted in a previous response, Walker is directed to generating a single use financial account number using a cryptographic key. (*See Walker, Abstract*). In contrast, Flitcroft describes a system for generating a single use card number “without the use of elaborate encryption techniques.” (*See Flitcroft, Abstract*). Instead of using cryptographic techniques as described in Walker, Flitcroft further describes using “random allocation” of numbers by a central computer to generate secondary account numbers. Specifically, Flitcroft describes, “[w]ithin the constraint of using a valid credit card format, the random allocation process used to generate lists of unique limited-use numbers can involve allocation from a range of numbers...” (Flitcroft, col. 13, lines 6-9). Therefore, Flitcroft teaches away from combining its non-cryptographic techniques with the cryptographic techniques of Walker. In other words, the cited

references are concerned with different systems and methods for generating account numbers, and there would be no reason or likelihood of success for one of ordinary skill to combine the teachings of Walker with the system described in Flitcroft. The Examiner has not established a *prima facie* case of obviousness for at least these reasons.

Independent Claims 1 and 4

Assuming, *arguendo*, that there was a reasonable likelihood of success and a motivation to combine Walker and Flitcroft, the combination still would fail to disclose or suggest all elements of independent claims 1 and 4.

Among other things, the method of claim 1 features:

    sending identification information from a purchaser computer to an issuer computer ;

    verifying said identification information using an issuer computer;

    after verifying said identification information, using an issuer computer to provide secure payment software comprising said second payment number to a purchaser computer; [and]

    ...sending data from a purchaser computer using said secure payment software to a merchant computer comprising: at least one of said second payment account number and a digital certificate that includes said second payment account number, the cardholder's card expiration date, the merchant identification number, and at least one of a generated message authentication code (MAC) and a digital signature generated by the secure payment application;

Applicants respectfully submit that both Walker and Flitcroft fail to disclose or suggest at least these features of claim 1. As noted above, Walker is directed to generating a single use financial account number using a cryptographic key. Specifically, Walker describes, “[t]o purchase goods or services...cardholder **301** uses device **100** to generate a transaction-specific, single-use credit card number...The device then generates a single-use credit card

number...details of the card generation are explained below. The number is unique for the specific input variables set by the cardholder or by the device.” (Walker, col. 6, lines 15-33). In Walker, among other things, the single use number is not provided with secure payment software to a user computer after a series of interactions with an issuer computer, as featured in claim 1. Further, Applicants are unaware of any disclosure of sending data from a purchaser computer using said secure payment software to a merchant computer comprising: at least one of said second payment account number and a digital certificate that includes said second payment account number, the cardholder’s card expiration date, the merchant identification number, and at least one of a generated message authentication code (MAC) and a digital signature generated by the secure payment application, as featured in amended claim 1, in Walker at all.

Flitcroft describes a system for providing limited use credit card numbers/cards. (See Flitcroft, Abstract). Flitcroft describes systems in which single and limited use cards are generated “randomly” or “pseudo-randomly” and then allocated to various users using a central processing unit. (See Flitcroft, col. 11, line 63- col. 14, line 58). Flitcroft, however, also fails to disclose or suggest providing a second payment account number as featured in amended claim 1. Further, as with Walker, Applicants are unaware of any disclosure of sending data from a purchaser computer using said secure payment software to a merchant computer comprising: at least one of said second payment account number and a digital certificate that includes said second payment account number, the cardholder’s card expiration date, the merchant identification number, and at least one of a generated message authentication code (MAC) and a digital signature generated by the secure payment application, as featured in amended claim 1, in Flitcroft at all. Claim 1 is allowable over Walker and Flitcroft for at least these reasons.

Additionally, the method of claim 1 features:

providing a second payment account number associated with said first payment account number, *said second payment account number being reusable by the purchaser for any purchase in which said first payment account number could be used*, and not being a transaction number and having an encryption key assigned thereto...

Neither Walker nor Flitcroft discloses or suggests a second payment account number or pseudo account number that is both reusable and that may be used for any purchase in which said first payment account number could be used. As the Examiner himself states, Walker does not disclose either a second payment account number or a pseudo account number that is reusable. (See Office Action, page 8). Consequently, Walker also fails to disclose a second payment account number or a pseudo account number that is reusable for any purchase in which said first payment account number could be used.

Flitcroft does not cure this deficiency in Walker. Flitcroft, as the Examiner himself states, discloses reusable “limited-use card numbers.” (Office Action, page 8). In Flitcroft, a “limited-use card number” is associated with a “master credit card number.” For security reasons, a “master credit card holder” may use a “limited-use card number” instead of his “master credit card number” to complete an electronic commerce transaction. The “limited-use card numbers are either “designated for a single use . . . [or] designated for multiple uses providing that the charges accrued do not exceed a prescribed threshold or thresholds, such [as] a total single charge, total charges over a limited period, total charge in a single transaction, etc.” Flitcroft refers to these conditions as “use-triggered conditions.” That is to say, the reusability of “limited use card number” in Flitcroft depends on “use-triggered conditions” that are triggered by use of the limited use card number” itself. There is nothing in Flitcroft that discloses or suggests that the “limited use card number” is reusable for “any purchase in which said first

payment account number could be used.” Walker and Flitcroft, alone or in combination, fail to disclose or suggest the features of claim 1 for at least this additional reason.

For at least these reasons, Applicants respectfully submit that claim 1 is non-obvious and patentable over Walker in view of Flitcroft. Independent claim 4 recites similar features to claim 1 and is patentable for at least the same reasons.

Dependent Claims 2-3 and 5-10

Since independent claims 1 and 4 are allowable over Walker and Flitcroft, dependent claims, 2-3, 5-7, and 9-10 are also allowable.

Claim 8 was rejected under 35 U.S.C. § 103(a) as allegedly unpatentable over Walker in view of Flitcroft and further in view of Lee. Assuming, *arguendo*, that Lee describes performing secure transactions using card unique certificates that are associated with a public key of a private/public key pair, as suggested by the Examiner, Lee still fails to overcome the shortcomings of Walker and Flitcroft discussed above with respect to independent claim 4, from which claim 8 depends. As such, Applicants respectfully submit that claim 8 is also allowable.

Dependent Claims 2-3 and 5-10

Since independent claims 1 and 4 are allowable, their respective dependent claims, 2-3 and 5-10, are also allowable.

In view of the foregoing amendments and remarks, Applicants respectfully request withdrawal of the rejection of claims 1-10 under 35 U.S.C. § 112, first paragraph.

Based on the foregoing Amendments and Remarks, Applicants traverse the Examiner’s rejection of claims 1-10 under 35 U.S.C. § 101, 35 U.S.C. § 112, and 35 U.S.C. § 103.

**CONCLUSION**

On the basis of the foregoing Amendments and Remarks, Applicants respectfully submit that the pending claims of the present application are allowable over the prior art of record. Applicants thus respectfully request the previous rejections be withdrawn, and that the pending claims be allowed. Favorable consideration and timely allowance of this application are respectfully requested. In the event that the application is not deemed in condition for allowance, the Examiner is invited to contact the undersigned at (212) 408-2538 in an effort to advance the prosecution of this application.

Respectfully submitted,



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